nounced, from time to time, several policy measures for encouraging export of projects including the construction sector. These *inter alia* include grant of 10 per cent project assistance, reimbursement of 50 per cent of cost of preparation and submission of bids income tax relief upto 50 per cent on profits and gains from projects export and concessional import duty on import into India of project-used machinaries and equipment.

(d) Yes, Sir. The Government is aware of the recommendation of the FICCI. As mentioned above in reply to part (c) of the Question, Government is giving some fiscal incentives to project exporters. As regards suggestion for amending the Foreign Exchange Regulation Act 1973, it is not considered necessary to amend the Act at present.

Expert of DUAL Purpose Chemicals

506. SHRI S. MADHAVAN: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have decided to put into operation a system of control on the export of dual purpose chemicals which can be used for the manufacture of chemical weapons;

(b) if so, what are the details thereof, and

(c) whether a list of chemicals the export of which require prior clearance of Government has been finalised and if so, what are the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL): (a) Yes, Sir.

(b) and (c) The Government have decided to allow export of Phosphorous Oxqcloride Phoshorous Trichloride and Thionyl Cholride under OGL No. 3 subject to production of No Objection Certificate from Ministry of Petroleum and Chemicals (Department of Chemicals and Petrochemicals) New Delhi.

Setting up of a Project Its Manufacture of Pig Iron

507. SHRI S. MADHAVAN: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government are examining the feasibility of setting of pig project for the manufacture of pig iron by using lignite char in a mini furnace;

(b) if so, what are the details of such a project;

(c) whether there is any proposal to instal a plant to produce lignite char and if so, what are the details thereof; and

(d) what steps are being taken to meet the demand for pig iron?

THE MINISTER OF STEEL AND MINES (SHRI ASHOKE KUMAR SEN): (a) to (c) A suggestion has been made by Confederation of Engineering Industry (W.R.) for the setting up of pig iron units using lignite char in a min-furnace. As the technology for this route has not yet been established, studies regarding its viability would be necessary.

(d) The manufacture of pig iron have been delicensed and the secondary sector is being encouraged to set up such units. They are being provided assistance in various areas to facilitate early implementation of the project.

Potential of Indian Projects in Power Generation in South East Asian Countries

508. SHRI S. MADHAVAN: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have received any report from the Confederation of Engineering Industry about

the potential of the Indian projects in power generation, railways and civil Engineering projects in the South East Asian Countries;

(b) whether it has suggested that India can bid for projects funded by the World Bank and the Asian Development Bank in those countries; and

(c) if so, what action Government have taken on the suggestions?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL): (a) No, Sir. The Government has not received any report from the Confederation of Engineering Industry about the potential of Indian projects in power generation in South East Asian countries.

(b) and (c) Do not arise.

Palekar Formula for fixing the Prices of B. Twill Bags

509. SHRI SANTOSH BAGRODIA: Will the Minister of TEXTILES be pleased to state:

(a) what are the details of the Palekar Formula for fixing the prices of B. Twill bags for supply by the jute mills to the DGS&D; and

(b) whether Government propose to procure B. Twill bags through out the year instead of during four months only to avoid unnecessary price fluctuations?

THE MINISTER OF TEXTILES AND FOOD PROCESSING INDUSTRY (SHRI HUKAMDEO NARAYAN YADAV): (a) The Palekar Formula for fixing prices of B. Twill bags for supply to DGS&D takes into account: (i) cost of raw jute based on its average market prices for the preceeding three months; (ii) cost of wages based on 51.42 man-days per tonne; (ii) cost of inputs on their actual prices; (iv) cost of working capital on raw jute stock of two months, finished goods stock of one month and consumables stock of three months; (v) interest on prevailing bank rate; (vi) depreciation; (vii) bonus; (viii) impact of power-cuts; & (ix) reasonable returns etc.

(b) B. Twill bags are already being supplied in a phased and planned manner to various Government indenting agencies to curb fluctuations in their market prices and for ensuring timely supply.

Supply of Jute Bags to Saudi Arabia

SHRI MOHAMMED AMIN:
SHRI RANJIT SINGH:
SHRI DHULESHWAR MEENA:
SHRI GURUDAS DAS GUPTA:
SHRI CHATURANAM MISHRA:

Will the Minister of TEXTILES be pleased to state:

(a) whether Government have received any order from Soudi Arab Government for the supply of jute bags;

(b) if so, what are the details thereof;

(c) what is the total amount of foreign exchange likely to be earned by India out of this order.

THE MINISTER OF TEXTILES AND FOOD PROCESSING INDUSTRY (SHRI HUKAMDEO NARAYAN YADAV): (a) to (c) Several enquiries have been received from prospective importers in Saudia Arabia for supply of jute bags. These enquiries have been forwarded to jute manufactures and merchant exporters for appropriate action under the terms of the existing Export Policy.